

## Incorporation of the Ottoman Empire into the Capitalist World-Economy, 1750-1839

Barbara Reeves-Ellington

In 1977, Immanuel Wallerstein proposed a research agenda to answer the question: When and by what process did the Ottoman Empire become incorporated into the capitalist world-economy? He also asked whether incorporation was a single event or a series of events for the different regions of the Empire--Rumelia, Anatolia, Syria, and Egypt. He suggested the answer be sought in Ottoman production processes and trade patterns between 1550 and 1850.

By 1980, Wallerstein had answered his own question. When the European base of the capitalist world-economy began to develop its boundaries in the sixteenth century, the Ottoman Empire remained outside the system. Between 1750 and 1839, the process of incorporation into the capitalist world-economy was complete and the Ottoman Empire had been peripheralized. Wallerstein did not comment whether incorporation was a single event or a series of events.

In this paper, I argue that current scholarship fails to support Wallerstein's version of incorporation of the Ottoman Empire into the capitalist world-economy. I examine Wallerstein's arguments and critique his discussion based on my own interpretation of recent work by Ottoman and Balkan historians pertaining to Rumelia (Southeastern Europe).

According to Wallerstein, a world-economy is a single social economy containing multiple state or political structures that operates on the basis of a capitalist mode of production and in which ceaseless accumulation of capital guides the system.

Wallerstein recently added the word "ceaseless" (his italics) to his definition in order to distinguish his paradigm of the capitalist world-economy with its origins in the sixteenth century from other paradigms that trace the origins to earlier points in history.

The capitalist world-economy comprises a core, a periphery, and a semiperiphery. Nation-states reach the core by successfully exploiting other geographic areas in the periphery. The semiperiphery forms a buffer zone, where geographic areas can move up into the core or down into the periphery. Geographic areas outside the world-economy are relegated to the external arena. They are eventually and inevitably incorporated into the system, however. During incorporation, a geographic zone is "hooked" so it can no longer escape. Peripheralization follows, whereby the zone is swallowed up in the capitalist mode of production, governed by pressures for capital

accumulation at the core. The zone is exploited chiefly for raw materials and forced to import finished products from the core. The notion of exploitation is key to an understanding of Wallerstein's view of the capitalist world-economy and his interpretation of incorporation into it.

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### **Economic Factors**

*Sudden increase in volume of trade*

Citing data provided by Bruce McGowan, Wallerstein and Kasaba claimed that exports of cotton increased approximately two-fold between 1750 and 1789.

However, except for France, the majority of the exports were headed not for the capitalist core but instead for Austria, Switzerland, Saxony, Prussia, and Italy. According to Fikret Adanir, Balkan cotton was not of the quality of American and Indian cotton, which England preferred. Moreover, geographic regions in the empire were clearly experiencing different trade patterns. The largest export increases were recorded from the ports of Smyrna and Salonica in the Balkans, but were partially offset by reductions from Syria and Constantinople.

Additional evidence supplied by John Lampe suggests that contribution of Ottoman trade to French and especially British commercial profit and capital formulation was minuscule during the eighteenth century. While cotton exports to France and England doubled between the late seventeenth and late eighteenth centuries, exports of semi-processed goods to northwest Europe also increased. As regards trade imbalance, only Constantinople ran an import surplus. Both Lampe and McGowan argued that the empire as a whole, and the Balkans in particular, continued to record an export surplus throughout the period. Thus, increased export of raw materials was not associated with enforced importation of finished goods. Moreover, increased foreign trade has to be put into perspective. According to Sevket Pamuk, in the early 1820s, foreign trade represented only about two to three percent of overall volume of production in the empire.

### *Shift in exports to raw materials*

A shift in exports from luxury goods to raw materials is a factor of incorporation into the world-economy. Wallerstein and Kasaba noted that during the second half of the eighteenth century, "a considerable fraction of the Ottoman exports started to be comprised of commercial crops, especially cotton, maize, and tobacco." They provided no hard evidence to support this claim.

What was occurring was not a shift from trade in luxury goods to export of raw materials but rather a shift in the type of raw materials being exported. According to McGowan, Ottoman trade in raw materials was far more heterogeneous. Founded on wheat and silk in the sixteenth century, at the height of Ottoman power, it grew to include cattle, wool, mohair, hides, and finally cotton and tobacco. By the late seventeenth century Ottoman raw exports were three to four times the value of raw grain exports from Baltic trade. Moreover, although cotton, maize, and tobacco began to be exported in large quantities during the late eighteenth century, cotton in particular had long been cultivated in Anatolia and the Balkans and had been one of the principle exports of the empire since the fifteenth century.

Based on this evidence, Ottoman trade with the core was not limited to luxury goods before the eighteenth century. Moreover, trade was arranged at Ottoman convenience for surplus produce after provisioning of the capital and other large cities, and, according to McGowan, trade treaties in this period could be cancelled unilaterally by the Ottomans. Thus, the empire was hardly "hooked" into incorporation before this time.

### *Expansion of çiftliks associated with second serfdom*

Wallerstein and his co-authors claimed that the increase in cotton exports was associated with the expansion of land use known as çiftliks (translated by them as "plantations"), which, they stated, entailed enserfment of peasants. They argued that, "although small peasant property was not completely destroyed, usury mediated the accumulation of capital in the hands of powerful landlords.

In contrast to the notion of enserfed peasants on plantations, several scholars, including Lampe, McGowan, and Sevkett Pamuk, have argued that agriculture throughout the eighteenth and nineteenth centuries remained on a small-scale basis. Using the arguments of Bulgarian scholars, Lampe noted that "we can only call this çiftlik regime 'feudal,' with 'semi-capitalist' features in some regions, and not virtually capitalist as suggested by Wallerstein." He contended that the dates of origin, size, and nature of the çiftliks suggest "an internal Ottoman dynamic more fiscal than commercial, more military than civilian in character."

As to date of origin, *çiftlik*s developed chiefly along the Black Sea Coast and in Macedonia early in the seventeenth century and had reached their full extent by 1700. They were hereditary land possessions claimed by the heirs of cavalymen (*sipahi*) who had been granted use of land during their lifetime in exchange for military duty. The Ottoman state was eventually obliged to acknowledge the hereditary nature of these lands given the contraction of the empire, the absence of newly conquered lands, and the need for taxes.

The *çiftlik*s covered no more than twenty percent of cultivated land and engaged no more than ten percent of the population. Most holdings were small and few yielded a large marketable surplus. Their normal size was 15 to 30 acres. They were farmed on a seasonable basis by peasants who paid a semiannual rent. Inalcik has described several different types of *çiftlik*: some were rented by peasants; others operated on a wage-labor system. He also noted that *çiftlik*s were not given over to monoculture (cotton). Some encompassed vineyards and orchards, and many of the larger *çiftlik*s were converted to cattle ranches or dairy farms. Thus, they were hardly plantations and did not entail serfdom.

### *Decline of manufacturing sector*

Wallerstein and Kasaba claimed that Ottoman manufacturing declined in the nineteenth century as a direct result of the decline of the guilds and the stipulations of the Anglo-Turkish Commercial Convention of 1838. The guild argument went as follows. As early as the seventeenth century, people left rural areas to avoid war and natural disaster, migrating in large numbers to big cities. Unemployment became a serious problem, the domestic market contracted sharply, and integrity of the Ottoman guilds became vulnerable. As a result, the Ottoman state lost control of production and the guilds were left vulnerable to competition from European commodities. The absence of industrial protection "forced Ottoman provinces to become suppliers of raw materials for Europe and buyers of European manufactured goods."

Leaving aside the issue that there were no large cities in the Balkans in the early nineteenth century (let alone the seventeenth), and that movement was chiefly from the lowlands to the hills because of brigandage (*kurdzhalistvo*), an issue to which I will return, the suggestion that European commodities flooded the market and made for a trade imbalance has been refuted by John Lampe.

What Wallerstein and Kasaba failed to mention when they describe guild vulnerability is that the Ottoman state intentionally took steps to produce that vulnerability.

According to Donald Quataert, the guilds practiced protectionism, and the best organized advocates of protectionism were the Janissaries, who were slaughtered in Istanbul in 1826 on the order of the sultan. Quataert has suggested that the guilds

stifled commercial competition within the Ottoman Empire thanks to their protection by the Janissaries. After the Janissaries were murdered, the guilds could no longer restrict trade, and the state could promote free trade. Michael Pailaret has termed the event a "well executed bloodbath," and Stavrianos described it as a "holocaust," in which 6,000 Janissaries were killed and 18,000 exiled. It is hard to understand why Wallerstein ignored the event.

As to the Anglo-Turkish Commercial Convention of 1838, Quataert argued that it was part of the Tanzimat, that is, an integral part of the Ottoman reform movement. Its signing confirmed a trend well under way in the Ottoman Empire and was not due to pressure from European diplomats. Wallerstein and Kasaba fell into the trap of Eurocentrism describing the Tanzimat period as one of resistance. According to them, the reform decree of 1839 "marked the end of the resistance on the part of the Ottoman bureaucracy to incorporation." Several western scholars, relying on western sources, have claimed that reform was forced on the empire; whereas scholars who have used Ottoman, western, and regional (for example, Balkan) sources have shown that the movement for reform was the result of complex interactions involving internal and external pressure. The impetus for reform, however, dated from the late eighteenth century and came from within. Quataert has joined a small but growing number of historians who criticize the Eurocentric view.

More important, Quataert has challenged the view that Ottoman manufacturing declined in the first half of the eighteenth century. This view is founded on urban-based, guild-organized production but ignores rural industry, household manufacturing, and workshops. Rural manufacturing was not observed by the European travelers whose accounts of urban manufacturing decline form the basis of Wallerstein's and Kasaba's arguments. Moreover, Quataert insisted that it was internal demand, not Western economies, that drove Ottoman production and trade: the quantity and value of domestic trade surpassed international Ottoman commerce throughout the period 1800 to 1914. Pailaret made the same point, claiming that the boom in rural manufacturing in the second quarter of the nineteenth century served chiefly the domestic market.

Pailaret suggested that urban, guild-controlled, fine-textile industries declined principally in Anatolia. In contrast, a veritable industrial renaissance occurred in the Ottoman Balkan lands. Although the woolen manufacturing in Salonica had been declining since the seventeenth century, the town experienced a boom in silk reeling and the manufacture of cotton towels and carpets. Small towns in the foothills of mountainous areas expanded into industrial centers for the manufacture of woolen cloth, cotton towels, and carpets.

Both Quataert and Pailaret suggested that the combination of Ottoman institutional change and local entrepreneurship in the second quarter of the nineteenth century contributed to impressive cultural and economic advances in the Ottoman Empire, which fail to speak to peripheralization and immiseration. Their work contradicts Wallerstein and Kasaba's claim that "in the long run, the effects of incorporation of the Ottoman Empire into the world-economy proved to be catastrophic for manufacturing in the Ottoman realms as a whole."

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### **Political Factors**

*Limits to territorial expansion and breakdown of classical land-tenure system*

Wallerstein and Kasaba claimed that, in addition to losing control over the guilds (an interpretation I have already argued against), the Ottoman state also lost control over agricultural production through the breakdown of the timar land-tenure system beginning in the seventeenth century. They argued that the breakdown in the system led directly to a new method of collecting taxes (iltizam, tax-farming), which resulted in tax-farmers gaining access to the rights of private property on the lands on which they collected taxes. This eventually led to the formation of *çiftlik*s. "These transformations made the concentration of land in private hands and reorganization of production in relation to world markets possible."

Few scholars would disagree that the timar system broke down, that tax-farming was introduced, or that the Ottoman land system was undergoing transformation. But Ottoman land organization was more complex. My argument is based on Fikret Adanir's work.

Under the classic Ottoman system, all land was divided into three categories: *miri*, or state land; *mülk*, or private property; and *vakif*, which belonged to religious foundations. The timar system was based on state land. As the Ottoman Empire

expanded with conquests of new land, timar land was given to sipahi (cavalrymen) in return for military duties. The land reverted to the state upon the death of the sipahi. The land was cultivated by peasants who owned a small area of private land and whose rights and obligations to the sipahi and the state were legally specified.

After the Ottomans failed to take Vienna in 1683, there was no new land for expansion, but this was not critical. Even before this date, the sipahi had become an outdated fighting force and were gradually replaced by an infantry equipped with firearms. Irregular peasant units replaced them in private armies formed by local notables (ayans). Adanir suggested that changes in land-tenure had more to do with over-taxation, brigandage, climate change, crop failures, famines, and epidemics.

Çiftliks emerged in the sixteenth century from private peasant land and abandoned state land. By this time, the sipahi had gained hereditary rights to their land. Çiftliks became more common in the seventeenth and eighteenth centuries, when they were devoted chiefly to cattle raising, not crop production. Adanir concluded that "in the Balkans as well as in Anatolia, the part played by the çiftlik estates in the economy remained rather negligible."

#### *Rise of local notables*

Wallerstein and Kasaba claimed that disorganization of Ottoman central power led to loss of Ottoman control over provincial officials and ayan. The ayan, whose original function was to represent the people in their dealings with the government, acquired substantial power through tax-farming and established "uncontested power in this region through the processes of çiftlik formation."

Historians agree that ayans were able to defy central authority towards the end of the eighteenth century. Some ayans were less interested in defying central power than in filling a vacuum where the central power was unable to control banditry in rural areas: they attempted to maintain a sense of order and protection. Others, such as Ali Pasha and Osman Pasvanoglu, frequently organized bandit raids themselves, fought each other for control of territory, and generally razed the Balkan countryside causing considerable loss of life.

Without the çiftlik argument, Wallerstein could not connect the ayans to incorporation of the Ottoman Empire into the capitalist world-economy. But not all ayans grabbed peasant land, transforming the peasants into slave labor, which they exploited on their "plantations." Quite the reverse. It was the frequent banditry in the Balkans that caused peasants to abandon lowland communities and head for the highlands. Here, they established rural manufacturing workshops and factories that led to the industrial boom described by Pailaret. It cannot be coincidental that these Balkan mountain

towns--Koprivshitsa, Kotel, Sopot, Gabrovo, and others--were the focus of the Bulgarian cultural revival that began in earnest in the mid-nineteenth century.

### *Demands for political autonomy*

Wallerstein and Kasaba indicated that nationalist demands for political autonomy in the Balkans in the early nineteenth were the result of incorporation. Their suggestion that the merchant elite "successfully mobilized the predominantly Christian peasants under the banner of nationalism against the Ottoman rule" is far-fetched, however.

The merchant elite in the Balkans was very comfortable expanding trade links under Ottoman rule. While many merchants contributed to educational and cultural pursuits, few of them nurtured revolutionary ideas. The nationalist inciters were the educated elite. And neither the merchants nor the "intelligentsia" had much contact with the peasants, who, in any case, as Marx himself noted, were not revolutionary material.

### *Inadequate diplomacy*

Wallerstein and Kasaba noted that with its loss of military prestige and its reversal of fortunes in war, the Ottoman Empire began to lose bargaining power. As a consequence of the treaties of Belgrade (1739) and Küçük Kaynarca (1774), the Ottomans made diplomatic and economic concessions to Russia, Austria, Britain, and France, allowing no little interference in the affairs of their state. The intensifying relations between the Empire and the world-economy culminated in the Anglo-Turkish Trade Convention of 1838 and the Gulhane reform edict of 1839 which "marked the end of the resistance on the part of the Ottoman bureaucracy to incorporation." To consider the Gulhane edict as a capitulation to a capitalist core that marked an economic incorporation is to miss the point entirely. The Gulhane edict was the result of competing reform forces within the empire. Some reformers looked back to the golden age of empire to institute reform; others looked west to Europe.

The westernizers gained the upper hand, but their decree was very general, an attempt at what we might call civil rights today, influenced to be sure by the ideas of the Enlightenment. It emphasized the rights of all subjects of the sultan, regardless of status and called for a regular system of assessing taxes (abolishing tax-farming) and levying troops. It was followed in 1856 by a reform guaranteeing equality regardless of religion and calling for representational government, which was attempted in the Constitution of 1876.

While influenced by the west, these reforms were not imposed by the west. Nor were they the result of inadequate diplomacy. Such views are the result of condescending Eurocentrism. By cutting off their periodization at 1839, Wallerstein and Kasaba chose to neglect the Tanzimat period, an era of great social and political transformation as well as economic change. Their insistence on an economic focus



marginalized Ottoman agency and ignored cultural and intellectual trends. In the late-eighteenth century, the Ottoman Empire was very much aware of its own need for change. The impetus for reform came from within, and the edicts of 1826, 1839, and 1856 are all part of the same transformation.

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#### **on Wallerstein's Analysis**

*Some questions on Wallerstein's analysis*

In their arguments on incorporation of the Ottoman Empire into the capitalist world-economy, Wallerstein and his co-authors emphasized export trade, land use, and manufacturing. Their discussion focused on trade between the empire and the northwest European core as if the empire were somehow isolated and had no contact with other parts of the world. How might Ottoman trade with China and Persia between 1750 and 1839 have affected the analysis? In

the early nineteenth century, interstate competition for hegemony in the capitalist core was fiercest between France and Great Britain. But how does the world-system model explain interstate competition between nation-states at the core and world-empires in the European semi-periphery (Austria and Russia) and between the world-empires themselves, all vying for political and economic control in the Balkans at the expense of the Ottomans? And how did the Great Power rivalries influence, contribute to, or hinder incorporation of the Ottoman Empire?

Since capitalist economic relations were spreading through the Balkans by the mid-nineteenth century, how can incorporation of the empire be explained? Could the answer possibly be found in the transmission of ideas, through intellectual property transfer or technology transfer? Christopher Chase-Dunn and Thomas D. Hall have suggested that the process of linkage between the European core and the Ottoman Empire be traced more successfully by a study of four networks: the information

network, the prestige-goods network, the political/military network, and the bulk- goods network. William McNeil has also stated that the world-system approach would benefit in clarity and power if it were "tied more explicitly to a communications network."

### *Sources*

Much of the evidence I have cited against Wallerstein's interpretation of Ottoman incorporation into the world-economy was produced by scholars who directed their arguments specifically against him. Lampe, for example, stated that the notion of a "malignant" world system "flies in the face of existing research on Balkan economic history. It also fails to identify the real restraints on the area's development." Lampe argued that the nature of Ottoman hegemony and the military and fiscal imperatives of the Ottoman and Habsburg empires had a "retarding effect" on the Balkans. He suggested that Wallerstein's approach appealed to some Turkish scholars because it absolved Ottoman hegemony of its retarding effect on Balkan development.

Pailaret also targeted Wallerstein directly, noting that "the development experience of the Ottoman Empire has been held up as a sombre example of industrial destruction and the creation of dependency at the European periphery. This already well-rehearsed view has been endorsed by Wallerstein (as one might expect)..." For his part, Pailaret argued that the radical changes Ottoman institutions underwent in the first half of the nineteenth century had a profound and beneficial effect on economic evolution in the Balkans, particularly Bulgaria.

Lampe and Pailaret, whose studies were published after Wallerstein's thesis on incorporation of the Ottoman Empire, based their arguments on archival sources and on the work of Bulgarian scholars published in Bulgarian in the 1950s and 1960s.

These works were therefore available to Wallerstein, if only he or his colleagues had known about them and could have read them.

Neither Quataert nor McGowan directed their comments against Wallerstein though their data clearly led them to disagree with some of his interpretations. Wallerstein used some of McGowan's data but chose to ignore some of his interpretations.

Quataert's work was produced well after Wallerstein's publications. To the best of my knowledge, Wallerstein has not responded to the findings of the scholars mentioned here. In contrast, Resat Kasaba, one of Wallerstein's co-authors, has reformulated his arguments on incorporation. He has since argued that throughout the nineteenth century the Ottoman Empire retained a political and economic structure that continued to operate on a redistributive-tributary mode, that is, goods from the producing elements of society flowed to the non-producing elites (tributes) and entitlements were redistributed according to decisions made by elites. If this is the case, the